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SUBJECT: SCENESETTER FOR UPCOMING SHIP VISIT TO TANZANIA

¶1. (U) Embassy welcomes the upcoming ship visit to Tanzania. This cable provides background information on the U.S.-Tanzanian bilateral relationship and Tanzanian domestic issues. This cable has been cleared by DATT.

¶2. (SBU) Although the U.S. and Tanzania do not have a Status of Forces Agreement, in the event of an incident involving a U.S. service member on shore during the visit, the Government of Tanzania (GOT) would likely work with the Embassy to resolve the situation and minimize public attention. The Tanzania People's Defense Force (TPDF) in particular would be eager to seek an amicable resolution of any incident. Tanzania has a generally free and very active press, some of which has a residual anti-American bias. An incident involving a U.S. service member would likely attract considerable local press attention.

Political and Economic Background

¶3. (SBU) In 1992, Tanzania opened the door to multi-party democracy, transitioning from a single party, socialist state. Under the stewardship of former President Mkapa, fundamental macro-reforms were introduced and Tanzania began its transition toward free-market capitalism. With the landslide election of President Kikwete in 2005, Tanzania underwent its third peaceful transition to a new President. Taken together, political and economic reforms introduced since 1992 have made Tanzania an example of peace and stability in the region.

¶4. (SBU) Formidable challenges remain. Located in a turbulent neighborhood, Tanzania is neighbor to eight countries, all with porous borders and a 1,500 kilometer coastline. Tanzania is a member of the Southern African Development Community (SADC), an association of its southern neighbors. Tanzania is also a member of the East African Community (EAC), an association of its East African and Great Lakes neighbors, which is taking hesitant steps towards more free trade. Infrastructure remains rudimentary; red tape and corruption impede private sector development. There are positive signs that HIV/AIDS prevalence is not increasing and may be on a downward trend, as the HIV prevalence rate for 15-49 year-olds has decreased from seven percent (2003) to 5.7 percent (2007). While elections on the Mainland have been free and fair, Tanzania is still a state dominated by the executive branch and the ruling Chama Cha Mapinduzi (CCM) party. In Zanzibar, serious irregularities and sporadic violence marred elections in 1995, 2000, and 2005.

¶5. (SBU) While Tanzania has achieved major macroeconomic reform over the past decade, macro-stability has yet to translate into significant gains at the micro level. In the 2007-08 UN Development Program (UNDP) report, Tanzania ranked 159 out of 177 in the Human Development Index. Despite impressive overall economic growth since 2001, recently released poverty data shows over one million more people living in poverty as compared to 2001. Per capita GDP is approximately USD 415 and some 80 percent of the population is engaged in agriculture, mostly small-scale. The recent worldwide

economic shocks have contributed to increased inflation, over ten percent for the first time in several years, as well as concerns about sustaining economic growth.

U.S.-Tanzanian Bilateral Relationship

¶6. (SBU) Since the election of President Kikwete in December 2005, U.S.-Tanzanian bilateral relations have significantly deepened. President Kikwete's pro-Western stance, coupled with an increasing level of U.S. assistance, has been the catalyst for this change, enhancing cooperation in sectors from health and education, to counterterrorism and military affairs. President Kikwete has visited the U.S. several times since taking office, including an official visit with President Bush in Washington, D.C., in August 2008. During President Bush's historic trip to Tanzania in February 2008, the relationship was further cemented through the public signing of the MCC compact and, equally importantly, the favorable reaction of Tanzanian citizenry to President Bush's visit to hospitals, factories and schools in Dar es Salaam and Arusha. A 2008 Pew Global Attitudes Poll showed a 19 percent increase, to 65 percent, of Tanzanians who have a favorable attitude towards the U.S.

¶7. (SBU) As a member of the UN Security Council (January 2005-December 2006), Tanzania supported key resolutions sanctioning North Korea and Iran. Tanzania did not fully support the USG's effort to address Burma's human rights situation in the Security Council, insisting the issue be dealt with in the Human Rights Council instead. With respect to country specific human rights resolutions in the Third Committee, Tanzania has tended to abstain, but has supported the resolution on North Korea.

¶8. (SBU) Under the leadership of President Kikwete, a former Foreign Minister, Tanzania has played an increasingly prominent role in regional issues. Standing up to Sudan, the Kikwete administration was outspoken in its support of a UN peacekeeping mission to take over the African Union (AU) mission in Darfur and against Sudan assuming the AU Chairmanship in January 2007. President Kikwete was elected AU Chairman in January 2008 for a one-year term. In that role, he overcame South African reticence to proceed with an AU mission to Comoros that restored national rule on the island of Anjouan. He has also spoken out against the military coup in Mauritania, whose membership the AU suspended.

¶9. (SBU) President Kikwete pledged to Secretary of State Rice in September 2007 to send three peacekeeping battalions to Darfur; one battalion has started training under the Department of State's ACOTA program. Tanzania has also been supportive of our policy in Somalia and joined the Somalia Contact Group. At the United States' behest, President Kikwete swiftly voiced his support for Ethiopia and the need for an African peacekeeping mission in Somalia. Tanzania has long played a constructive role in the Burundi peace process. Within SADC, Tanzania's voice has been relatively muted on Zimbabwe.

U.S. Strategic Priorities

¶10. (SBU) The USG's strategic priorities in Tanzania are:

- (i) building the GOT's counterterrorism (CT) capacity;
- (ii) strengthening Tanzania's democratic institutions and accountability, through parliamentary capacity building and anti-corruption efforts;
- (iii) improving education by ensuring equal access and improved opportunities to underserved communities, especially focused on girls in Muslim and pastoral areas;
- (iv) improving health by preventing the spread and mitigating the impact of HIV/AIDS, combating malaria, and increasing the use of reproductive and child health services;
- (v) spurring economic growth through significant investments in transport, energy and water infrastructure, policy reform and improved natural resource management; and
- (vi) influencing public opinion, especially among Tanzania's Muslims, who tend to view U.S. policy as anti-Islam.

¶11. (SBU) The USG supports these strategic priorities with active diplomatic engagement and a generous foreign assistance program. Although Tanzania enjoys the support of numerous donor countries,

the U.S. is one of the top donors in Tanzania in dollar amounts. In FY08, total USG bilateral assistance will amount to nearly USD 400 million, including presidential initiatives such as PEPFAR and PMI. Taking into account the U.S. share of contributions from multilateral donors such as the World Bank and African Development Bank, U.S. assistance totaled USD 662 million in 2008. This does not include major private U.S. benefactors such as the Gates Foundation. Other major donors include the U.K., Sweden, Netherlands, Denmark, Norway, and the European Commission.

¶12. (SBU) To ensure that corruption does not undermine development efforts, we are sharply focused on supporting President Kikwete's anti-corruption campaign. The Kikwete administration has taken steps to combat corruption, including appointing a new Director of the Prevention and Combating of Corruption Bureau (PCCB) and passing two pieces of legislation: the Anti-Money Laundering Bill and the Anti-Corruption Bill. Recently, the drive against corruption has picked up again. The first major court cases on grand corruption began in November, with the arrests of individuals whose companies were alleged to have fraudulently received funds from the Bank of Tanzania (BOT), along with several BOT employees. Shortly thereafter, two long-serving former ministers were jailed on corruption-related charges.

¶13. (SBU) In the wake of the 1998 Embassy bombing, we are actively engaged in furthering counterterrorism (CT) cooperation with the Tanzanian government. The Mission has an integrated strategy involving modernization of Tanzania's law enforcement as well as winning the hearts and minds of the Tanzanian people. Our work in Pemba--a majority Muslim island--exemplifies this strategy. We have knit together cultural preservation projects to repair mosques, self-help projects to improve rural livelihoods, and significant USAID malaria control and education programs. MCC will rehabilitate and improve up to 36 kilometers of rural roads in Pemba under the Compact. In addition, CDC is providing HIV prevention and treatment services at the central hospital in Pemba. USAID and the Combined Joint Task Force-Horn of Africa (CJTF-HOA) are partnering to build and furnish a primary school. The Mission recently inaugurated an American Corner in Pemba to advance Islamic outreach efforts. Another key component of the Mission's strategy is helping the government establish its own national, interagency CT Center to collect, share and analyze CT data.

Zanzibar's Political Impasse

¶14. (SBU) In his December 2005 inaugural address, President Kikwete pledged to address Zanzibar's "political problem," which involves the bitter divide between two political parties - CCM and the Civic United Front (CUF) - and between Zanzibar's two islands--Unguja and Pemba. In 1995, 2000 and again in 2005, the Zanzibar elections were marred by irregularities. A National Democratic Institute observer team reported "serious problems in Zanzibar's urban region where 40 percent of the registered voters reside." While 2005 did register some administrative improvements and violence was contained, the elections still concluded in an impasse. CUF contested the elections and refused to recognize President Karume's government.

¶15. (SBU) In January 2007, official reconciliation talks finally began between the CCM Secretary-General Makamba and CUF's Secretary-General Malim Seif Hamad. However, after fitful negotiations, the talks appear to be at a stalemate.

¶16. (SBU) CUF leaders remain adamant that their bottom line is the formation of a power-sharing government in advance of the 2010 elections. CUF leaders have repeatedly emphasized that without a government of national unity, the 2010 elections will be neither free nor fair; they have warned that their membership is becoming increasingly restless and disillusioned with the democratic process.

¶17. (SBU) The CCM party, particularly President Karume and his inner circle, appears unwilling to implement a power-sharing agreement prior to the 2010 elections and have called for a referendum on the issues. However, a referendum election without proper oversight in place risks raising tensions in Zanzibar even higher. While President Kikwete has personally monitored progress of the talks, he has not yet wielded his position as CCM party chairman or his offices as Head of State to successfully broker an agreement that would be fair and equitable to both sides.

Military-to-Military Relations

¶18. (SBU) Under the Kikwete administration, the GOT has expressed its intent to begin participating in international peacekeeping operations. In 2006, Tanzania became our newest partner in the African Contingency Training and Assistance (ACOTA) program. With Kikwete's offer to deploy a peacekeeping brigade to Darfur under UN auspices, the Mission's goal is to train three Tanzanian battalions by 2009. These battalions will not only contribute to UN deployments but will also constitute part of an AU regional standby brigade. (Note: Tanzania demonstrated its intent to become more active in peacekeeping by deploying 75 military police to Lebanon in January 2007 to help secure the UNIFIL mission. Under ACOTA, the USG will train a third company to rotate into UNIFIL.)

¶19. (SBU) The Tanzanian government has also signaled its desire to deepen military-to-military ties with the U.S. more broadly. In December 2006, the GOT gave approval to CJTF-HOA to establish a Civil Affairs presence on the Swahili Coast. The Civil Affairs team is carrying out humanitarian projects and helping build civil military operations capacity within the Tanzania People's Defence Forces (TPDF). In early 2008, the USG provided logistical assistance to support the African Union-led military operation in the Comoros Islands.

Health Challenges: HIV/AIDS and Malaria

¶20. (SBU) Tanzania faces a mature generalized HIV epidemic, with a prevalence rate of approximately 5.7 percent and 1.4 million people living with HIV/AIDS. An estimated 440,000 individuals are clinically eligible for antiretroviral treatment; however, available services can support less than half of those in need. In FY 2008, PEPFAR provided Tanzania with over USD 313 million to support treatment, care, and prevention programs. In FY 2009, the PEPFAR planning budget is \$308 million. The PEPFAR program is on track to exceed its original PEPFAR targets: 150,000 individuals on anti-retroviral drugs; care for 750,000 individuals, including orphans and vulnerable children; and prevention of 490,000 new HIV infections. Although the U.S. has fostered positive relationships with the Tanzanian government in the health sector, significant challenges remain including: the need for stronger leadership in line ministries; poor health infrastructure; a shortage of health care workers; a weak government procurement system; and allegations of corruption in the public and private sectors. We recently entered into very productive negotiations with the GOT on a PEPFAR Partnership Compact, which would deepen our relationship over the coming five years.

¶21. (SBU) Malaria is the number one killer of children in Tanzania and continues to be a major cause of maternal mortality. As a focus country under the President's Malaria Initiative (PMI), Tanzania received USD 34 million in FY 2008 to support the delivery of long-lasting, insecticide treated bed-nets, the care and treatment of malaria, the malaria in pregnancy program, and indoor residual insecticide spraying. Malaria has been eliminated as a public health problem on Zanzibar: the recent 2007-2008 Malaria Indicator Survey (MIS) suggests that malaria prevalence is less than 1% on the islands PMI, and PMI's goal of reducing malaria deaths by 50% has been met both in Zanzibar and the Mainland.

Millennium Challenge Corporation (MCC)

¶22. (SBU) In February 2008, Presidents Kikwete and Bush signed the largest MCC Compact to date, USD 698 million. The Compact will strengthen Tanzania's infrastructure network in three key areas: transportation (roads and the Mafia Island airport), water, and energy. It entered into full force and effect in September 2008. Our message continues to be that a Compact is an agreement of reciprocal responsibilities; to sustain it over five years, Tanzania must pay heed to its corruption index and be vigilant at all levels to ensure transparency and accountability in governance.

¶23. (SBU) Tanzania also received MCC Threshold funds - USD 11.2 million - from FY2005 to 2007. The Threshold program, which closed in September 2008, focused on, among other things, enhancing civil society's capacity to demand anti-corruption reform and fighting corruption in public procurement. The program trained more than 250

journalists in investigative reporting skills; some of these journalists were involved in breaking grand corruption stories. The program also enhanced local-level accountability by helping establish a network of 77 public expenditure tracking committees. Finally, and most importantly, the Threshold program helped the country's procurement regulator carry out several audits of the procurement practices of key GOT entities; in February 2008, one of these audits sparked and informed a Parliamentary investigation which resulted in the resignation of the Prime Minister.

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